

AVENG LIMITED

Incorporated in the Republic of South Africa

(Registration number: 1944/018119/06)

ISIN: ZAE000302618

SHARE CODE: AEG

("Aveng" or "the Company" or "the Group")



AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

SALIENT FEATURES

- Group revenue at R26,2 billion (2021: R25,7 billion)
- Earnings before non-recurring items (operating earnings) of R576 million (2021: R536 million)
- Earnings of R130 million (2021: R988 million)
- Normalised earnings* of R204 million (2021: R66 million)
- Earnings per share of 106 cents (June 2021: 1 337 cents per share, restated)
- Normalised earnings per share* of 167 cents (June 2021: 89 cents per share)
- Headline earnings per share of 252 cents (June 2021: 1 016 cents per share, restated)
- Operating free cash inflow of R612 million (2021: R1,5 billion)
- Cash and cash equivalents of R2,6 billion (2021: R2,5 billion)
- External debt reduced to R481 million (2021: R879 million)
- Work in hand of R30,8 billion (2021: R25,3 billion)

*Excludes specific, significant non-recurring items

RESULTS FOR THE YEAR ENDED 30 JUNE 2022

The Group reported a second consecutive year of profitability with headline earnings of R308 million or 252 cents per share (2021: R751 million or 1 016 cents per share (restated)). Basic earnings attributable to equity holders of the parent amounted to R130 million or 106 cents per share (2021: R988 million or 1 337 cents per shares (restated)). Reported earnings for the year are R130 million (2021: R988 million) whereas normalised earnings increased from R66 million in the prior year to R204 million. The prior year included R1,1 billion of non-recurring gains (including a once off R486 million gain on the early redemption of borrowings and a R611 million fair value gain on Trident Steel).

In evaluating Company performance, the Board excludes non-recurring items. Such non-recurring items are either income or expenses that do not occur regularly as part of the normal activities of the Group and arise as a result of the capital restructure of the Group, IFRS 5 adjustments and adjustments in respect of non-core assets. Normalised earnings are adjusted for the effects of non-recurring items and include:

- Impairment loss on right-of use assets and intangible assets;
- Impairment loss or reversal of impairment of long-term receivables;
- Gains or losses on disposal of non-core assets and PPE;
- Fair value adjustments; and
- Early redemption of borrowings.

Normalised measures are used by management to assess the underlying sustainable performance of the Group and do not replace the measures determined in accordance with IFRS as an indicator of the Group's performance, but rather should be used in conjunction with the most directly comparable IFRS measures.

Normalised operating earnings before non-recurring items of R576 million (2021: R443 million) and Normalised earnings of R204 million (2021: R66 million). Normalised earnings per share was 167 cents (2021: 89 cents per share). The prior year was calculated using a pro forma comparative weighting of 122,5 million shares and restated for the change in classification of Trident Steel as a continuing operation. This metric has been used for illustrative and comparative purposes only.

ABOUT AVENG

Aveng is an international infrastructure, resources and contract mining group operating in selected markets and capitalising on the expertise and experience within McConnell Dowell and Moolmans. The short-form announcement is the responsibility of the directors and is only a summary of information in the full announcement which is available on the company's website (www.aveng.co.za).

This announcement does not contain full or complete details and any investment decisions by investors and/or shareholders should be based on consideration of the published SENS available on:

<https://senspdf.jse.co.za/documents/2022/JSE/ISSE/AEG/FY2022.pdf>

AUDIT OPINION

The annual financial statements were audited by KPMG Inc., who expressed an unqualified audit opinion thereon. The full audit opinion, including any key audit matters, is available on the Group's website together with the Aveng annual financial statements.

The full announcement is available for inspection at the registered office and/or the sponsor's office, at no charge during office hours.

23 August 2022

Melrose Arch

JSE Sponsor
Investec Bank Limited

Itumeleng Lepere
Stakeholder Engagement Lead
Tel: 011 779 2800
Email: investor.relations@avenggroup.com

Executive Directors

SJ Flanagan (Group Chief Executive Officer) | AH Macartney (Group Finance Director and Chief Financial Officer)

Non-Executive Directors

PA Hourquebie (Independent Non-executive Chair) | MA Hermanus (Lead Independent Non-executive) | MJ Kilbride (Independent Non-executive) | B Modise (Independent Non-executive) | BC Meyer (Independent Non-executive) | ZB Swanepoel (Independent Non-executive)

Registered office

3rd Floor, 10 The High Street, Melrose Arch, 2076